

**FORT BEND COUNTY LEVEE
IMPROVEMENT DISTRICT NO. 15**

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2020

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Independent Auditors' Report

Board of Directors
Fort Bend County Levee Improvement District No. 15
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Levee Improvement District No. 15, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinions.

**Board of Directors
Fort Bend County Levee Improvement District No. 15
Fort Bend County, Texas**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Levee Improvement District No. 15, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Texas Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

W. G. G. & Co, P.C.

Houston, Texas
January 18, 2021

Management's Discussion and Analysis

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**Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
September 30, 2020**

Using this Annual Report

Within this section of the financial report of Fort Bend County Levee Improvement District No. 15 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. This analysis should be read in conjunction with the independent auditors' report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

**Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
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The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at September 30, 2020, was negative \$11,319,043. The District's net position is negative because it incurs debt to construct public roads which it conveys to Fort Bend County. A comparative summary of the District's overall financial position, as of September 30, 2020 and 2019, is as follows:

	2020	2019
Current and other assets	\$ 18,740,165	\$ 17,851,238
Capital assets	81,321,599	75,933,499
Total assets	<u>100,061,764</u>	<u>93,784,737</u>
 Total deferred outflows of resources	 <u>1,804,415</u>	 <u>1,428,097</u>
 Current liabilities	 8,478,971	 7,579,258
Long-term liabilities	104,706,251	101,936,877
Total liabilities	<u>113,185,222</u>	<u>109,516,135</u>
 Net position		
Net investment in capital assets	102,190	(3,232,513)
Restricted	8,358,571	9,173,785
Unrestricted	<u>(19,779,804)</u>	<u>(20,244,573)</u>
Total net position	<u>\$ (11,319,043)</u>	<u>\$ (14,303,301)</u>

Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
September 30, 2020

The total net position of the District increased during the current fiscal year by \$2,984,258. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	<u>2020</u>	<u>2019</u>
Revenues		
Property taxes, penalties and interest	\$ 11,395,628	\$ 12,032,091
Other	248,777	609,422
Total revenues	<u>11,644,405</u>	<u>12,641,513</u>
Expenses		
Operations and administrative	1,929,976	1,959,571
Debt interest and fees	3,610,767	3,435,235
Developer interest	511,112	439,448
Debt issuance costs	1,632,139	665,488
Depreciation/amortization	1,119,764	1,023,717
Total expenses	<u>8,803,758</u>	<u>7,523,459</u>
Change in net position before other items	2,840,647	5,118,054
Other items		
Change in estimate of due to developer	143,611	
Transfers to other governments		(387,208)
Change in net position	2,984,258	4,730,846
Net position, beginning of year	<u>(14,303,301)</u>	<u>(19,034,147)</u>
Net position, end of year	<u>\$ (11,319,043)</u>	<u>\$ (14,303,301)</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of September 30, 2020, were \$18,233,844, which consists of \$3,398,534 in the General Fund, \$8,644,078 in the Debt Service Fund, and \$6,191,232 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 3,598,786</u>	<u>\$ 2,992,117</u>
Total liabilities	\$ 192,395	\$ 142,099
Total deferred inflows	7,857	7,318
Total fund balance	<u>3,398,534</u>	<u>2,842,700</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 3,598,786</u>	<u>\$ 2,992,117</u>

**Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
September 30, 2020**

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 2,211,821	\$ 2,504,798
Total expenditures	<u>(1,736,810)</u>	<u>(2,048,457)</u>
Revenues over expenditures	475,011	456,341
Other changes in fund balance	<u>80,823</u>	<u>662,130</u>
Net change in fund balance	<u>\$ 555,834</u>	<u>\$ 1,118,471</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, which is dependent upon assessed values in the District and the maintenance tax rate set by the District. While assessed values in the District increased from the prior year, property tax revenues decreased because the District decreased the maintenance component of the levy.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 8,702,877</u>	<u>\$ 9,439,904</u>
Total liabilities	\$ 15,076	\$ 2,450
Total deferred inflows	43,723	41,211
Total fund balance	<u>8,644,078</u>	<u>9,396,243</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 8,702,877</u>	<u>\$ 9,439,904</u>

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 9,371,953	\$ 10,091,776
Total expenditures	<u>(10,950,618)</u>	<u>(10,129,890)</u>
Revenues under expenditures	(1,578,665)	(38,114)
Other changes in fund balance	<u>826,500</u>	<u></u>
Net change in fund balance	<u>\$ (752,165)</u>	<u>\$ (38,114)</u>

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in a decrease in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected

**Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
September 30, 2020**

cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

During the current year, the District issued \$11,605,000 in refunding bonds to refund \$11,295,000 of its outstanding Series 2012 and Series 2013 bonds. This refunding will save the District \$2,164,248 in future debt service requirements.

During the current year, the also District issued \$9,390,000 in road refunding bonds to refund \$9,200,000 of its outstanding Series 2013 road bonds. This refunding will save the District \$2,246,599 in future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of September 30, 2020 and 2019 is as follows:

	2020	2019
Total assets	<u>\$ 6,438,502</u>	<u>\$ 5,419,217</u>
Total liabilities	\$ 247,270	\$ 451,040
Total fund balance	<u>6,191,232</u>	<u>4,968,177</u>
Total liabilities and fund balance	<u>\$ 6,438,502</u>	<u>\$ 5,419,217</u>

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2020	2019
Total revenues	\$ 57,580	\$ 100,698
Total expenditures	<u>(16,702,451)</u>	<u>(5,068,944)</u>
Revenues under expenditures	(16,644,871)	(4,968,246)
Other changes in fund balance	17,867,926	8,262,870
Net change in fund balance	<u>\$ 1,223,055</u>	<u>\$ 3,294,624</u>

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2019A Unlimited Tax Levee Improvement Bonds and Series 2020 Unlimited Tax Park Bonds in the current year and the sale of its Series 2019 Unlimited Tax Levee Improvement Bonds in the prior year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
September 30, 2020

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$219,628 greater than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at September 30, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Capital assets not being depreciated		
Land and improvements	\$ 52,249,858	\$ 51,479,961
Construction in progress	4,968,813	1,720,990
	<u>57,218,671</u>	<u>53,200,951</u>
Capital assets being depreciated		
Infrastructure	7,963,943	6,807,802
Park facilities and landscaping improvements	17,533,089	16,199,086
Interest in joint facilities	2,917,555	2,917,555
Other facilities and equipment	310,706	310,706
	<u>28,725,293</u>	<u>26,235,149</u>
Less accumulated depreciation		
Infrastructure	(599,282)	(422,304)
Park facilities and landscaping improvements	(3,604,282)	(2,763,947)
Interest in joint facilities	(319,511)	(247,335)
Other facilities and equipment	(99,290)	(69,015)
	<u>(4,622,365)</u>	<u>(3,502,601)</u>
Depreciable capital assets, net	<u>24,102,928</u>	<u>22,732,548</u>
Capital assets, net	<u>\$ 81,321,599</u>	<u>\$ 75,933,499</u>

Capital asset additions during the current year include the following:

- Hagerson Road watershed interconnect between Snake Slough and Steep Bank Creek
- Snake Slough storm sewer extension
- Hagerson Road tract detention
- Landscaping improvements to serve Avalon Sections 14 and 17

Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
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The District's construction in progress is for engineering and construction of the following:

- Snake Slough pump station
- University Boulevard watershed interconnect between Steep Bank Creek and Alcorn Bayou
- Steep Bank Creek pump station expansion

Long-Term Debt and Related Liabilities

As of September 30, 2020, the District owes approximately \$4,028,758 to developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At September 30, 2020 and 2019, the District had total bonded debt outstanding as shown below:

Series	2020	2019
2012 Levee	\$ -	\$ 6,450,000
2013 Levee		5,245,000
2013 Road		9,530,000
2013 Refunding	5,530,000	5,770,000
2014 Road	6,275,000	6,525,000
2015 Road	3,225,000	3,375,000
2015 Levee	15,600,000	16,425,000
2015 Refunding	4,390,000	4,635,000
2016 Refunding	3,555,000	3,785,000
2017 Levee	17,250,000	17,400,000
2017 Park	2,750,000	5,750,000
2017 Refunding	3,395,000	3,545,000
2019 Levee	7,425,000	8,175,000
2019A Levee	8,620,000	
2020 Refunding	11,605,000	
2020 Road Refunding	9,390,000	
2020 Park	9,300,000	
	<u>\$ 108,310,000</u>	<u>\$ 96,610,000</u>

During the current year, the District issued \$8,620,000 in unlimited tax levee improvement bonds, \$11,605,000 in unlimited tax refunding bonds, \$9,390,000 in unlimited tax road refunding bonds, and \$9,300,000 in unlimited tax park bonds. At September 30, 2020, the District had \$20,450,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the levee and drainage systems within the District; \$7,950,000 for recreational facilities and \$50,820,000 for refunding purposes.

**Fort Bend County Levee Improvement District No. 15
Management's Discussion and Analysis
September 30, 2020**

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and the projected cost of operating the District. A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	<u>2020 Actual</u>	<u>2021 Budget</u>
Total revenues	\$ 2,211,821	\$ 1,850,300
Total expenditures	<u>(1,736,810)</u>	<u>(1,721,441)</u>
Revenues over expenditures	475,011	128,859
Other changes in fund balance	80,823	
Net change in fund balance	<u>555,834</u>	<u>128,859</u>
Beginning fund balance	<u>2,842,700</u>	<u>3,398,534</u>
Ending fund balance	<u>\$ 3,398,534</u>	<u>\$ 3,527,393</u>

Property Taxes

The District's property tax base increased approximately \$217,155,000 for the 2020 tax year from \$2,138,740,669 to \$2,355,895,195. This increase was primarily due to new construction in the District. For the 2020 tax year, the District has levied a maintenance tax rate of \$0.08 per \$100 of assessed value, a road debt service tax rate of \$0.0588 per \$100 of assessed value and a levee debt service tax rate of \$0.3012 per \$100 of assessed value for a total combined tax rate of \$0.44 per \$100. Tax rates for the 2019 tax year were \$0.10 per \$100 for maintenance and operations, \$0.0758 per \$100 for road debt service, and \$0.3542 per \$100 for levee debt service for a combined total of \$0.53 per \$100 of assessed value.

Infectious Disease Outlook (COVID-19)

As further discussed in Note 12, the World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory virus currently affecting many parts of the world, including the United States and Texas. The pandemic has negatively affected the economic growth and financial markets worldwide and within Texas. While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak could have an adverse effect on the District's operations and financial condition by negatively affecting property taxes and ad valorem tax revenues within the District.

Basic Financial Statements

Fort Bend County Levee Improvement District No. 15
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 267,261	\$ 2,871,769	\$ 1,080,838	\$ 4,219,868	\$ -	\$ 4,219,868
Investments	3,309,299	5,789,459	5,349,044	14,447,802		14,447,802
Taxes receivable	7,857	43,723		51,580		51,580
Interest receivable	197	1,238		1,435		1,435
Internal balances	(5,308)	(3,312)	8,620			
Due from other governments	19,480			19,480		19,480
Capital assets not being depreciated					57,218,671	57,218,671
Capital assets, net					24,102,928	24,102,928
Total Assets	\$ 3,598,786	\$ 8,702,877	\$ 6,438,502	\$18,740,165	81,321,599	100,061,764
Deferred Outflows of Resources						
Deferred difference on refunding					1,804,415	1,804,415
Liabilities						
Accounts payable	\$ 164,662	\$ -	\$ 25,177	\$ 189,839		189,839
Other payables	27,733	254		27,987		27,987
Retainage payable			222,093	222,093		222,093
Accrued interest payable		14,822		14,822	329,230	344,052
Due to developers					4,028,758	4,028,758
Long-term debt						
Due within one year					7,695,000	7,695,000
Due after one year					100,677,493	100,677,493
Total Liabilities	192,395	15,076	247,270	454,741	112,730,481	113,185,222
Deferred Inflows of Resources						
Deferred property taxes	7,857	43,723		51,580	(51,580)	
Fund Balances/Net Position						
Fund Balances						
Restricted		8,644,078	6,191,232	14,835,310	(14,835,310)	
Unassigned	3,398,534			3,398,534	(3,398,534)	
Total Fund Balances	3,398,534	8,644,078	6,191,232	18,233,844	(18,233,844)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,598,786	\$ 8,702,877	\$ 6,438,502	\$18,740,165		
Net Position						
Net investment in capital assets					102,190	102,190
Restricted for debt service					8,358,571	8,358,571
Unrestricted					(19,779,804)	(19,779,804)
Total Net Position					\$(11,319,043)	\$(11,319,043)

See notes to basic financial statements.

Fort Bend County Levee Improvement District No. 15
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 2,138,751	\$ 9,196,735	\$ -	\$ 11,335,486	\$ 3,051	\$ 11,338,537
Penalties and interest	3,028	54,063		57,091		57,091
Miscellaneous	13,963	9,400		23,363		23,363
FEMA grants	28,470			28,470		28,470
Investment earnings	27,609	111,755	57,580	196,944		196,944
Total Revenues	2,211,821	9,371,953	57,580	11,641,354	3,051	11,644,405
Expenditures/Expenses						
Operations and administrative						
Professional fees	217,176		83,629	300,805		300,805
Contracted services	148,474	92,852		241,326		241,326
Repairs and maintenance	1,180,706			1,180,706		1,180,706
Utilities	18,545			18,545		18,545
Administrative	95,590	5,758		101,348		101,348
Other	76,319	10,910	17	87,246		87,246
Capital outlay			15,160,118	15,160,118	(15,160,118)	
Debt service						
Principal		6,720,000		6,720,000	(6,720,000)	
Interest and fees		3,436,534		3,436,534	174,233	3,610,767
Developer interest			511,112	511,112		511,112
Debt issuance costs		684,564	947,575	1,632,139		1,632,139
Depreciation/amortization					1,119,764	1,119,764
Total Expenditures/Expenses	1,736,810	10,950,618	16,702,451	29,389,879	(20,586,121)	8,803,758
Revenues Over (Under)						
Expenditures/Expenses	475,011	(1,578,665)	(16,644,871)	(17,748,525)	20,589,172	2,840,647
Other Financing Sources/(Uses)						
Proceeds from sale of bonds			17,920,000	17,920,000	(17,920,000)	
Proceeds from sale of refunding bonds		20,995,000		20,995,000	(20,995,000)	
Bond premium		351,397		351,397	(351,397)	
Payment to refunded bond escrow agent		(20,491,148)		(20,491,148)	20,491,148	
Internal transfers	80,823	(28,749)	(52,074)			
Other Items						
Change in estimate of due to developer					143,611	143,611
Net Change in Fund Balances	555,834	(752,165)	1,223,055	1,026,724	(1,026,724)	
Change in Net Position					2,984,258	2,984,258
Fund Balance/Net Position						
Beginning of the year	2,842,700	9,396,243	4,968,177	17,207,120	(31,510,421)	(14,303,301)
End of the year	\$ 3,398,534	\$ 8,644,078	\$ 6,191,232	\$ 18,233,844	\$(29,552,887)	\$(11,319,043)

See notes to basic financial statements.

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Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Levee Improvement District No. 15 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Commissioners’ Court of Fort Bend County, Texas, dated September 19, 2000, and operates in accordance with the Texas Water Code, Chapters 49 and 57. The Board of Directors held its first meeting on October 23, 2000 and the first bonds were sold on December 28, 2006. The District was granted road powers by the Texas Legislature (Senate Bill No. 1883) on May 28, 2003.

At an election held on November 6, 2018, voters of the District approved a proposition for directors to be elected rather than appointed by Fort Bend County Commissioners Court. On November 14, 2018, the District adopted an Order Canvassing the Returns and Declaring Results of Director Election, pursuant to which the District’s directors are elected rather than appointed.

The District’s primary activities include construction, maintenance and operation of all improvements and utilities necessary for providing flood plain reclamation, flood protection, drainage, road improvements and recreational facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District’s levee and drainage system and all other financial transactions not reported in other funds. The principal source of revenues is property taxes. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District’s general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District’s levee and drainage system, parks and recreational facilities, and road facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes and interest earned on investments. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2020, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

The District’s levee system and detention facilities are considered improvements to land and are nondepreciable. Depreciable capital assets, which primarily consist of levee pump stations, drainage improvements, park facilities and landscaping improvements, are depreciated (or amortized in the case of intangible assets) using the straight-line method as follows:

<u>Assets</u>	<u>Useful Life</u>
Infrastructure	45 years
Park facilities and landscaping improvements	12-45 years
Interest in joint facilities	25-45 years
Other facilities and equipment	17-25 years

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

The District's levee system is considered an improvement to land and is non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Deferred outflows of financial resources at the government-wide level are from refunding bond transactions in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned - all other spendable amounts in the General Fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the useful lives and impairment of capital assets; the value of amounts due to developers; the value of capital assets transferred to Fort Bend County and the value of capital assets for which the developers have not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total fund balance, governmental funds	\$	18,233,844
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost	\$	85,943,964	
Less accumulated depreciation		<u>(4,622,365)</u>	
Change due to capital assets			81,321,599

The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the *Statement of Net Position* and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.

1,804,415

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:

Bonds payable, net	(108,372,493)	
Interest payable on bonds	<u>(329,230)</u>	
Change due to long-term debt		(108,701,723)

Amounts due to the District's developers for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position*.

(4,028,758)

Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.

Property taxes receivable	41,090	
Penalty and interest receivable	<u>10,490</u>	
Change due to property taxes		51,580

Total net position - governmental activities	<u>\$</u>	<u>(11,319,043)</u>
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Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

Net change in fund balances - total governmental funds \$ 1,026,724

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes. 3,051

Governmental funds report capital outlays for construction costs as expenditures in the funds; however, in the *Statement of Activities*, the cost of capital assets is charged to expense over the estimated useful life of the asset.

Capital outlays	\$ 15,160,118	
Depreciation expense	(1,119,764)	
		14,040,354

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.

Issuance of long term debt	(38,915,000)	
Payment to refunded bond escrow agent	20,491,148	
Bond premium	(351,397)	
Principal payments	6,720,000	
Interest expense accrual	(174,233)	
		(12,229,482)

Revisions in the estimate of due to developer do not provide financial resources in the funds; but result in an adjustment to net position in *Statement of Activities*. 143,611

Change in net position of governmental activities \$ 2,984,258

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash and certificates of deposit) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 3 – Deposits and Investments (continued)

Investments (continued)

As of September 30, 2020, the District’s investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	General	\$ 240,000			
	Debt Service	1,925,174		N/A	N/A
		<u>2,165,174</u>	15%	N/A	N/A
TexSTAR	General	3,069,299			
	Debt Service	3,864,285			
	Capital Projects	5,349,044			
		<u>12,282,628</u>	85%	AAAm	39 days
Total		<u>\$ 14,447,802</u>	<u>100%</u>		

The District’s investments in certificates of deposit are reported at cost.

TexSTAR

The District participates in Texas Short Term Asset Reserve fund (TexSTAR) which is managed by Hilltop Securities, Inc., and J.P. Morgan Investment Management, Inc. Hilltop Securities provides participant and marketing services while J.P. Morgan provides investment management services. Custodial and depository services are provided by J.P. Morgan Chase Bank N.A. or its subsidiary.

The District’s investment in TexSTAR is reported at fair value because TexSTAR uses fair value to report investments. Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District’s investment in TexSTAR is measured using published fair value per share (level 1 inputs).

Investments in TexSTAR may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District’s investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at September 30, 2020, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 3,312	Maintenance tax collections not remitted as of year end
Capital Projects Fund	General Fund	8,620	To reimburse amounts transferred in excess of bond issuance costs

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

A summary of internal transfers for the current fiscal year is as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amounts</u>	<u>Purpose</u>
Capital Projects Fund	General Fund	\$ 52,074	Reimbursement of bond issuance costs paid by General Fund
Debt Service Fund	General Fund	28,749	Reimbursement of maintenance taxes held for tax assessment and collection expenditures

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2020, is as follows:

	Beginning Balances	Additions/ Adjustments	Retirements	Ending Balances
Capital assets not being depreciated				
Land and improvements	\$ 51,479,961	\$ 769,897	\$ -	\$ 52,249,858
Construction in progress	1,720,990	3,732,297	(484,474)	4,968,813
	<u>53,200,951</u>	<u>4,502,194</u>	<u>(484,474)</u>	<u>57,218,671</u>
Capital assets being depreciated/amortized				
Infrastructure	6,807,802	1,156,141		7,963,943
Park facilities and landscaping improvements	16,199,086	1,334,003		17,533,089
Interest in joint facilities	2,917,555			2,917,555
Other facilities and equipment	310,706			310,706
	<u>26,235,149</u>	<u>2,490,144</u>		<u>28,725,293</u>
Less accumulated depreciation/amortization				
Infrastructure	(422,304)	(176,978)		(599,282)
Park facilities and landscaping improvements	(2,763,947)	(840,335)		(3,604,282)
Interest in joint facilities	(247,335)	(72,176)		(319,511)
Other facilities and equipment	(69,015)	(30,275)		(99,290)
	<u>(3,502,601)</u>	<u>(1,119,764)</u>		<u>(4,622,365)</u>
Subtotal depreciable capital assets, net	<u>22,732,548</u>	<u>1,370,380</u>		<u>24,102,928</u>
Capital assets, net	<u>\$ 75,933,499</u>	<u>\$ 5,872,574</u>	<u>\$ (484,474)</u>	<u>\$ 81,321,599</u>

Depreciation/amortization expense for the current year was \$1,119,764.

The District has contractual commitments for construction projects as follows:

	Contract Amount	Amounts Paid	Remaining Commitment
Snake Slough pump station	\$ 4,640,770	\$ 4,219,763	\$ 421,007

Note 6 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of the levee and drainage systems, park and recreational facilities and road improvements. Under the agreements, the developers will advance funds for the construction of facilities to serve the District. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 6 – Due to Developers (continued)

The District’s developers have also advanced funds to the District for operating expenses.

Changes in the estimated amounts due to developers during the year are as follows:

Due to developers, beginning of year	\$ 12,824,623
Developer reimbursements	(11,422,741)
Developer funded construction and adjustments	2,770,487
Change in estimate of due to developer	<u>(143,611)</u>
Due to developers, end of year	<u>\$ 4,028,758</u>

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	\$ 108,310,000
Unamortized discounts	(657,588)
Unamortized premium	<u>720,081</u>
	<u>\$ 108,372,493</u>
 Due within one year	 <u>\$ 7,695,000</u>

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 7 – Long-Term Debt (continued)

The District’s bonds payable at September 30, 2020, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2013 Refunding	\$ 5,530,000	\$ 6,505,000	2.0% - 5.0%	September 1, 2014/2035	March 1, September 1	September 1, 2021
2014 Road	6,275,000	7,625,000	2.0% - 3.75%	September 1, 2015/2038	March 1, September 1	September 1, 2022
2015 Road	3,225,000	3,975,000	3.0% - 5.0%	September 1, 2016/2040	March 1, September 1	September 1, 2022
2015 Levee	15,600,000	20,250,000	2.0% - 3.625%	September 1, 2016/2039	March 1, September 1	September 1, 2023
2015 Refunding	4,390,000	5,360,000	2.0% - 4.0%	September 1, 2016/2034	March 1, September 1	September 1, 2024
2016 Refunding	3,555,000	4,250,000	2.0% - 4.0%	September 1, 2017/2033	March 1, September 1	September 1, 2023
2017 Levee	17,250,000	17,770,000	2.0% - 3.75%	September 1, 2017/2040	March 1, September 1	September 1, 2024
2017 Park	2,750,000	11,750,000	0.75% - 1.50%	September 1, 2018/2021	March 1, September 1	N/A
2017 Refunding	3,395,000	3,715,000	2.0% - 4.0%	September 1, 2018/2035	March 1, September 1	September 1, 2024
2019 Levee	7,425,000	8,925,000	2.0% - 3.625%	September 1, 2019/2040	March 1, September 1	September 1, 2024
2019A Levee	8,620,000	8,620,000	2.0% - 3.0%	September 1, 2021/2040	March 1, September 1	September 1, 2025
2020 Refunding	11,605,000	11,605,000	2.0% - 4.0%	September 1, 2021/2037	March 1, September 1	September 1, 2026
2020 Road Refunding	9,390,000	9,390,000	2.0% - 4.0%	September 1, 2021/2037	March 1, September 1	September 1, 2026
2020 Park	9,300,000	9,300,000	1%	September 1, 2021/2030	March 1, September 1	September 1, 2025
	<u>\$ 108,310,000</u>					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 7 – Long-Term Debt (continued)

At September 30, 2020, the District had authorized but unissued bonds in the amount of \$20,450,000 for levee improvements; \$7,950,000 for recreational facilities and \$50,820,000 for refunding purposes.

On December 19, 2019, the District issued its \$8,620,000 Series 2019A Unlimited Tax Levee Improvement Bonds at a net effective interest rate of 2.583567%. Proceeds of the bonds were used to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds and to fund construction of flood control facilities.

On July 7, 2020, the District issued its \$11,605,000 Unlimited Tax Refunding Bonds at a net effective interest rate of 2.244993% to refund \$11,295,000 of outstanding Series 2012 and 2013 bonds. The District refunded the bonds to reduce total debt service payments over future years by approximately \$2,164,248 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,744,233. Proceeds of the bonds were placed in an escrow account with an escrow agent and irrevocably pledged to the payment of future debt service payments. As a result, the refunded bonds are considered defeased and the liability has been removed from the government-wide financial statements.

On July 7, 2020, the District issued its \$9,300,000 Unlimited Tax Road Refunding Bonds at a net effective interest rate of 2.170684% to refund \$9,200,000 of outstanding Series 2013 bonds. The District refunded the bonds to reduce total debt service payments over future years by approximately \$2,246,599 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,820,161. Proceeds of the bonds were placed in an escrow account with an escrow agent and irrevocably pledged to the payment of future debt service payments. As a result, the refunded bonds are considered defeased and the liability has been removed from the government-wide financial statements.

On September 23, 2020, the District issued its \$9,300,000 Series 2020 Unlimited Tax Park Bonds at a net effective interest rate of 1.065447%. Proceeds of the bonds were used to reimburse developers for the cost of recreational facilities constructed within the District plus interest expense at the net effective interest rate of the bonds.

The change in the District’s long-term debt during the year is as follows:

Bonds payable, beginning of year	\$ 96,610,000
Bonds issued	38,915,000
Bonds retired	(6,720,000)
Bonds refunded	(20,495,000)
Bonds payable, end of year	<u>\$ 108,310,000</u>

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 7 – Long-Term Debt (continued)

As of September 30, 2020, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2021	\$ 7,695,000	\$ 3,210,080	\$ 10,905,080
2022	5,780,000	2,950,925	8,730,925
2023	5,840,000	2,795,649	8,635,649
2024	5,940,000	2,633,739	8,573,739
2025	6,035,000	2,468,338	8,503,338
2026	6,115,000	2,297,289	8,412,289
2027	6,190,000	2,123,020	8,313,020
2028	6,265,000	1,965,121	8,230,121
2029	5,980,000	1,805,213	7,785,213
2030	6,060,000	1,644,950	7,704,950
2031	5,470,000	1,476,436	6,946,436
2032	5,575,000	1,309,038	6,884,038
2033	5,625,000	1,134,201	6,759,201
2034	5,725,000	954,151	6,679,151
2035	5,850,000	772,057	6,622,057
2036	5,345,000	580,638	5,925,638
2037	5,305,000	422,376	5,727,376
2038	3,065,000	264,313	3,329,313
2039	2,625,000	155,688	2,780,688
2040	1,825,000	63,563	1,888,563
	<u>\$ 108,310,000</u>	<u>\$ 31,026,785</u>	<u>\$ 139,336,785</u>

Note 8 – Property Taxes

On September 21, 2004, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$0.60 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Fort Bend Central Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2020 fiscal year was financed through the 2019 tax levy, pursuant to which the District levied property taxes of \$0.53 per \$100 of assessed value, of which \$0.10 was allocated to maintenance and operations, \$0.0758 was allocated to road debt service and \$0.3542 was allocated to levee debt service. The resulting tax levy was \$11,335,326 on the adjusted taxable value of \$2,138,740,669.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 8 – Property Taxes (continued)

Total property taxes receivable, at September 30, 2020, consisted of the following:

Current year taxes receivable	\$ 27,639
Prior years taxes receivable	13,451
	<u>41,090</u>
Penalty and interest receivable	10,490
Property taxes receivable	<u>\$ 51,580</u>

Note 9 – Steep Bank Creek Regional Pump Station

The District and Fort Bend County Levee Improvement District No. 19 (“LID 19”) have jointly constructed the Steep Bank Creek regional stormwater pump station. The pump station has a permanent pumping capacity of 80,000 gallons per minute (gpm) and supplemental pumping capacity of an additional 80,000 gpm. The supplemental pumping capacity is achieved through trailer mounted pumps that can be moved to alternate locations within the boundaries of the districts as needed. Additionally, the District and LID 19 have begun the design of an expansion of the pump station to increase permanent pumping capacity to 230,000 gpm.

On August 1, 2018, as subsequently amended, the District and LID 19 entered into a maintenance agreement for the pump station, pursuant to which the operation of the pump station is managed by a joint operating committee (JOC) comprised of four directors, two from each district. Operating, maintenance and repair costs are shared between the districts on a pro-rata basis based upon the service area of each district. The District’s share of costs for the pump station is 55.3%. The JOC is authorized to undertake expenses less than \$10,000 after approval by a majority of the JOC. The JOC shall not undertake any expense estimated to exceed \$10,000 without first recommending such expense to both districts. Operating expenses projected to exceed \$50,000 must be approved by both districts. The District is billed by LID 19 on a quarterly basis for its share of operating expenses. During the current year, the District incurred operating expenses of \$82,212.

Note 10 – Cost Sharing Agreement for Hageron Road Storm Sewer and Watershed Interconnect Facilities

On February 25, 2019, the District entered into an amended and restated cost sharing agreement with LID 19 and Fort Bend County Municipal Utility District No. 149 for the construction of storm sewer and watershed interconnect facilities to tie the Steep Bank watershed to the Alcorn Bayou watershed. The interconnect facilities will normally remain closed, but may be opened in an emergency to provide relief to one or both watershed systems. Each district will have an equitable ownership interest in the facilities based on the pro rata share of costs paid. The project was completed during the current year with the District’s pro rata share of construction related costs totaling \$498,259.

Fort Bend County Levee Improvement District No. 15
Notes to Basic Financial Statements
September 30, 2020

Note 11 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 12 – Infectious Disease Outlook (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the “Pandemic”), which is currently affecting many parts of the world, including the United States and Texas. Federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations by both the President of the United States and the Governor of Texas. On March 31, 2020, the Governor issued an executive order closing all non-essential businesses in the State. This order expired on April 30, 2020. Additionally, all the counties in the greater Houston area adopted various “Work Safe – Stay Home” orders. Such actions are focused on limiting instances where the public can congregate or interact with each other. These precautions resulted in the temporary closure of all non-essential businesses in the State.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting the economic growth and financial markets worldwide and within Texas. These negative impacts may reduce or negatively affect property taxes and ad valorem tax revenues within the District.

While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of the Pandemic could have an adverse effect on the District’s operations and financial condition.

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Required Supplementary Information

Fort Bend County Levee Improvement District No. 15
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 2,125,000	\$ 2,138,751	\$ 13,751
Penalties and interest		3,028	3,028
Miscellaneous	8,000	13,963	5,963
FEMA grant		28,470	28,470
Investment earnings	60,000	27,609	(32,391)
Total Revenues	<u>2,193,000</u>	<u>2,211,821</u>	<u>18,821</u>
Expenditures			
Operating and administrative			
Professional fees	303,500	217,176	86,324
Contracted services	239,000	148,474	90,526
Repairs and maintenance	1,157,169	1,180,706	(23,537)
Utilities	12,420	18,545	(6,125)
Administrative	90,580	95,590	(5,010)
Other	54,125	76,319	(22,194)
Total Expenditures	<u>1,856,794</u>	<u>1,736,810</u>	<u>119,984</u>
Revenues Over Expenditures	336,206	475,011	138,805
Other Financing Sources			
Internal transfers		80,823	80,823
Net Change in Fund Balance	336,206	555,834	219,628
Fund Balance			
Beginning of the year	2,842,700	2,842,700	
End of the year	<u>\$ 3,178,906</u>	<u>\$ 3,398,534</u>	<u>\$ 219,628</u>

Fort Bend County Levee Improvement District No. 15
Notes to Required Supplementary Information
September 30, 2020

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

Fort Bend County Levee Improvement District No. 15
TSI-1. Services and Rates
September 30, 2020

1. Services provided by the District During the Fiscal Year:

- | | | | |
|--|---|---|--|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Solid Waste/Garbage | <input checked="" type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input checked="" type="checkbox"/> Flood Control | <input type="checkbox"/> Irrigation |
| <input checked="" type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input checked="" type="checkbox"/> Roads | <input type="checkbox"/> Security |
- Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)
- Other (Specify): _____

2. Retail Service Providers N/A
 (You may omit this information if your district does not provide retail services)

a. Retail Rates for a 5/8" meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate (Y / N)</u>	<u>Rate per 1,000 Gallons Over Minimum Usage</u>	<u>Usage Levels</u>
Water:	_____	_____	_____	_____	_____ to _____
Wastewater:	_____	_____	_____	_____	_____ to _____
Surcharge:	_____	_____	_____	_____	_____ to _____

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water _____ Wastewater _____

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC'S</u>
Unmetered	_____	_____	x 1.0	_____
less than 3/4"	_____	_____	x 1.0	_____
1"	_____	_____	x 2.5	_____
1.5"	_____	_____	x 5.0	_____
2"	_____	_____	x 8.0	_____
3"	_____	_____	x 15.0	_____
4"	_____	_____	x 25.0	_____
6"	_____	_____	x 50.0	_____
8"	_____	_____	x 80.0	_____
10"	_____	_____	x 115.0	_____
Total Water	_____	_____	_____	_____
Total Wastewater	_____	_____	x 1.0	_____

See accompanying auditor's report.

Fort Bend County Levee Improvement District No. 15
TSI-1. Services and Rates
September 30, 2020

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):
 (You may omit this information if your district does not provide water)

Gallons pumped into system:	<u> N/A </u>	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons billed to customers:	<u> N/A </u>	<u> N/A </u>

4. Standby Fees (authorized only under TWC Section 49.231):
 (You may omit this information if your district does not levy standby fees)

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent commission Order: _____

Does the District have Operation and Maintenance standby fees? Yes No

If yes, Date of the most recent commission Order: _____

5. Location of District (required for first audit year or when information changes,
 otherwise this information may be omitted):

Is the District located entirely within one county? Yes No

County(ies) in which the District is located: Fort Bend County

Is the District located within a city? Entirely Partly Not at all

City(ies) in which the District is located: City of Sugar Land

Is the District located within a city's extra territorial jurisdiction (ETJ)?
 Entirely Partly Not at all

ETJs in which the District is located: Cities of Sugar Land and Missouri City

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-2 General Fund Expenditures
For the Year Ended September 30, 2020

Professional fees		
Legal		\$ 147,488
Audit		14,500
Engineering		55,188
		<u>217,176</u>
Contracted services		
Bookkeeping/accounting		30,253
Operator		96,330
Appraisal District		21,891
		<u>148,474</u>
Repairs and maintenance		<u>1,180,706</u>
Utilities		<u>18,545</u>
Administrative		
Directors fees		18,300
Printing and office supplies		2,123
Insurance		66,569
Other		8,598
		<u>95,590</u>
Other		<u>76,319</u>
Total expenditures		<u><u>\$ 1,736,810</u></u>

Reporting of Utility Services in Accordance with Ch. 2265, Texas Government Code:

	<u>Usage</u>	<u>Cost</u>
Electrical	72,192 kWh	\$ 17,261
Water	N/A	N/A
Natural Gas	134 ccf	633

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-3. Investments
September 30, 2020

Fund	Interest Rate	Maturity Date	Balance at End of Year	Interest Receivable
General				
TexSTAR	Variable	N/A	\$ 3,069,299	\$ -
Certificate of deposit	0.60%	08/11/21	240,000	197
			<u>3,309,299</u>	<u>197</u>
Debt Service				
TexSTAR	Variable	N/A	3,000,288	
TexSTAR	Variable	N/A	863,997	
Certificate of deposit	0.70%	08/24/21	243,174	173
Certificate of deposit	0.50%	02/14/21	240,000	141
Certificate of deposit	0.498%	08/18/21	240,000	139
Certificate of deposit	0.60%	08/27/21	242,000	135
Certificate of deposit	0.50%	08/18/21	240,000	141
Certificate of deposit	0.45%	08/18/21	240,000	127
Certificate of deposit	0.70%	02/14/21	240,000	198
Certificate of deposit	0.65%	08/18/21	240,000	184
			<u>5,789,459</u>	<u>1,238</u>
Capital Projects				
TexSTAR	Variable	N/A	254,454	
TexSTAR	Variable	N/A	147,358	
TexSTAR	Variable	N/A	58,950	
TexSTAR	Variable	N/A	53,587	
TexSTAR	Variable	N/A	2,226,985	
TexSTAR	Variable	N/A	2,607,710	
			<u>5,349,044</u>	
Total - All Funds			<u>\$ 14,447,802</u>	<u>\$ 1,435</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-4. Taxes Levied and Receivable
September 30, 2020

	Maintenance Taxes	Road Debt Service Taxes	Levee Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	\$ 7,318	\$ 6,276	\$ 25,484	\$ 39,078
Adjustments	386	281	1,528	2,195
Adjusted Receivable	7,704	6,557	27,012	41,273
2019 Original Tax Levy	2,144,284	1,625,367	7,595,053	11,364,704
Adjustments	(5,543)	(4,202)	(19,633)	(29,378)
Adjusted Tax Levy	2,138,741	1,621,165	7,575,420	11,335,326
Total to be accounted for	2,146,445	1,627,722	7,602,432	11,376,599
Tax collections:				
Current year	2,133,526	1,617,223	7,556,938	11,307,687
Prior years	5,062	4,320	18,440	27,822
Total Collections	2,138,588	1,621,543	7,575,378	11,335,509
Taxes Receivable, End of Year	\$ 7,857	\$ 6,179	\$ 27,054	\$ 41,090
Taxes Receivable, By Years				
2019	\$ 5,215	\$ 3,942	\$ 18,482	\$ 27,639
2018	1,570	1,205	5,337	8,112
2017	1,054	1,016	3,123	5,193
2016	18	16	112	146
Taxes Receivable, End of Year	\$ 7,857	\$ 6,179	\$ 27,054	\$ 41,090
	2019	2018	2017	2016
Property Valuations:				
Land	\$ 467,733,586	\$ 427,419,780	\$ 398,206,853	\$ 343,588,673
Improvements	1,704,503,795	1,537,726,920	1,385,452,503	1,156,643,410
Personal Property	17,680,315	7,538,825	6,856,720	6,026,400
Exemptions	(51,177,027)	(43,657,934)	(39,440,147)	(41,588,253)
Total Property Valuations	\$ 2,138,740,669	\$ 1,929,027,591	\$ 1,751,075,929	\$ 1,464,670,230
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.1000	\$ 0.1200	\$ 0.140	\$ 0.090
Road debt service tax rates	0.0758	0.0921	0.135	0.080
Levee debt service tax rates	0.3542	0.4079	0.415	0.560
Total Tax Rates per \$100 Valuation	\$ 0.5300	\$ 0.6200	\$ 0.690	\$ 0.730
Adjusted Tax Levy:	\$ 11,335,326	\$ 11,959,971	\$ 12,082,424	\$ 10,692,093
Percentage of Taxes Collected to Taxes Levied **	99.76%	99.93%	99.96%	99.999%

* Maximum Maintenance Tax Rate Approved by Voters: \$0.60 on September 21, 2004
 * Maximum Road Maintenance Tax Rate Approved by Voters: \$0.25 on September 21, 2004

** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.
 See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2013 Refunding--by Years
 September 30, 2020

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2021	\$ 245,000	\$ 250,500	\$ 495,500
2022	260,000	241,680	501,680
2023	265,000	231,930	496,930
2024	280,000	221,595	501,595
2025	290,000	210,395	500,395
2026	305,000	198,795	503,795
2027	320,000	186,290	506,290
2028	330,000	172,690	502,690
2029	350,000	158,170	508,170
2030	360,000	142,420	502,420
2031	380,000	125,680	505,680
2032	400,000	107,250	507,250
2033	420,000	87,250	507,250
2034	595,000	66,250	661,250
2035	730,000	36,500	766,500
	<u>\$ 5,530,000</u>	<u>\$ 2,437,395</u>	<u>\$ 7,967,395</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2014 Road--by Years
 September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 260,000	\$ 204,200	\$ 464,200
2022	270,000	197,700	467,700
2023	280,000	190,950	470,950
2024	290,000	183,950	473,950
2025	300,000	175,975	475,975
2026	310,000	166,975	476,975
2027	320,000	157,675	477,675
2028	330,000	148,075	478,075
2029	340,000	138,175	478,175
2030	350,000	127,550	477,550
2031	360,000	116,175	476,175
2032	370,000	104,025	474,025
2033	390,000	91,075	481,075
2034	400,000	77,425	477,425
2035	410,000	63,425	473,425
2036	425,000	48,563	473,563
2037	430,000	32,625	462,625
2038	440,000	16,500	456,500
	<u>\$ 6,275,000</u>	<u>\$ 2,241,038</u>	<u>\$ 8,516,038</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-5. Long-Term Debt Service Requirements
Series 2015 Road--by Years
September 30, 2020

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2021	\$ 150,000	\$ 111,963	\$ 261,963
2022	150,000	104,463	254,463
2023	150,000	96,963	246,963
2024	150,000	92,463	242,463
2025	150,000	87,963	237,963
2026	150,000	83,313	233,313
2027	150,000	78,625	228,625
2028	150,000	73,750	223,750
2029	150,000	68,875	218,875
2030	150,000	64,000	214,000
2031	150,000	59,125	209,125
2032	175,000	54,250	229,250
2033	175,000	48,344	223,344
2034	175,000	42,437	217,437
2035	175,000	36,531	211,531
2036	175,000	30,625	205,625
2037	175,000	24,500	199,500
2038	175,000	18,375	193,375
2039	175,000	12,250	187,250
2040	175,000	6,125	181,125
	<u>\$ 3,225,000</u>	<u>\$ 1,194,940</u>	<u>\$ 4,419,940</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2015 Levee--by Years
 September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 825,000	\$ 484,031	\$ 1,309,031
2022	825,000	467,531	1,292,531
2023	825,000	446,906	1,271,906
2024	825,000	426,281	1,251,281
2025	825,000	405,656	1,230,656
2026	825,000	385,031	1,210,031
2027	825,000	360,281	1,185,281
2028	825,000	335,531	1,160,531
2029	825,000	310,781	1,135,781
2030	825,000	286,031	1,111,031
2031	825,000	259,219	1,084,219
2032	825,000	232,406	1,057,406
2033	825,000	204,563	1,029,563
2034	825,000	175,688	1,000,688
2035	825,000	146,813	971,813
2036	825,000	116,906	941,906
2037	800,000	87,000	887,000
2038	800,000	58,000	858,000
2039	800,000	29,000	829,000
	<u>\$ 15,600,000</u>	<u>\$ 5,217,655</u>	<u>\$ 20,817,655</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-5. Long-Term Debt Service Requirements
Series 2015 Refunding--by Years
September 30, 2020

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2021	\$ 255,000	\$ 151,494	\$ 406,494
2022	270,000	143,844	413,844
2023	270,000	138,444	408,444
2024	280,000	127,644	407,644
2025	295,000	116,444	411,444
2026	310,000	104,644	414,644
2027	315,000	92,244	407,244
2028	330,000	79,644	409,644
2029	330,000	69,744	399,744
2030	345,000	59,431	404,431
2031	345,000	48,219	393,219
2032	355,000	36,575	391,575
2033	360,000	24,150	384,150
2034	330,000	11,550	341,550
	<u>\$ 4,390,000</u>	<u>\$ 1,204,071</u>	<u>\$ 5,594,071</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2016 Refunding--by Years
 September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 230,000	\$ 135,250	\$ 365,250
2022	230,000	128,350	358,350
2023	235,000	121,450	356,450
2024	245,000	114,400	359,400
2025	255,000	104,600	359,600
2026	260,000	94,400	354,400
2027	270,000	84,000	354,000
2028	280,000	73,200	353,200
2029	290,000	62,000	352,000
2030	305,000	50,400	355,400
2031	310,000	38,200	348,200
2032	320,000	25,800	345,800
2033	325,000	13,000	338,000
	<u>\$ 3,555,000</u>	<u>\$ 1,045,050</u>	<u>\$ 4,600,050</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-5. Long-Term Debt Service Requirements
Series 2017 Levee--by Years
September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 150,000	\$ 567,750	\$ 717,750
2022	900,000	564,750	1,464,750
2023	900,000	537,750	1,437,750
2024	900,000	510,750	1,410,750
2025	900,000	483,750	1,383,750
2026	900,000	456,750	1,356,750
2027	900,000	429,750	1,329,750
2028	900,000	402,750	1,302,750
2029	900,000	375,750	1,275,750
2030	900,000	348,750	1,248,750
2031	900,000	320,625	1,220,625
2032	900,000	291,375	1,191,375
2033	900,000	261,000	1,161,000
2034	900,000	229,500	1,129,500
2035	900,000	198,000	1,098,000
2036	900,000	166,500	1,066,500
2037	900,000	133,875	1,033,875
2038	900,000	101,250	1,001,250
2039	900,000	67,500	967,500
2040	900,000	33,750	933,750
	<u>\$ 17,250,000</u>	<u>\$ 6,481,875</u>	<u>\$ 23,731,875</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-5. Long-Term Debt Service Requirements
Series 2017 Park--by Years
September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
<u>2021</u>	<u>\$ 2,750,000</u>	<u>\$ 41,250</u>	<u>\$ 2,791,250</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2017 Refunding--by Years
 September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 155,000	\$ 98,413	\$ 253,413
2022	165,000	93,763	258,763
2023	170,000	88,812	258,812
2024	185,000	82,013	267,013
2025	190,000	78,312	268,312
2026	195,000	74,275	269,275
2027	200,000	69,887	269,887
2028	215,000	64,887	279,887
2029	220,000	58,975	278,975
2030	230,000	52,375	282,375
2031	240,000	45,475	285,475
2032	250,000	38,275	288,275
2033	260,000	30,775	290,775
2034	340,000	22,975	362,975
2035	380,000	12,350	392,350
	<u>\$ 3,395,000</u>	<u>\$ 911,562</u>	<u>\$ 4,306,562</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-5. Long-Term Debt Service Requirements
Series 2019 Levee--by Years
September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 375,000	\$ 212,031	\$ 587,031
2022	375,000	204,531	579,531
2023	375,000	197,031	572,031
2024	375,000	189,531	564,531
2025	375,000	182,031	557,031
2026	375,000	173,594	548,594
2027	375,000	165,156	540,156
2028	375,000	155,781	530,781
2029	375,000	144,531	519,531
2030	375,000	133,281	508,281
2031	375,000	122,031	497,031
2032	375,000	110,781	485,781
2033	375,000	99,531	474,531
2034	375,000	87,813	462,813
2035	375,000	75,625	450,625
2036	375,000	62,969	437,969
2037	375,000	50,313	425,313
2038	350,000	37,188	387,188
2039	350,000	24,938	374,938
2040	350,000	12,688	362,688
	<u>\$ 7,425,000</u>	<u>\$ 2,441,375</u>	<u>\$ 9,866,375</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2019A Levee--by Years
 September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 450,000	\$ 220,500	\$ 670,500
2022	450,000	207,000	657,000
2023	450,000	193,500	643,500
2024	450,000	180,000	630,000
2025	450,000	166,500	616,500
2026	450,000	153,000	603,000
2027	450,000	144,000	594,000
2028	450,000	135,000	585,000
2029	450,000	126,000	576,000
2030	450,000	117,000	567,000
2031	450,000	106,875	556,875
2032	450,000	96,188	546,188
2033	420,000	85,500	505,500
2034	400,000	75,000	475,000
2035	400,000	65,000	465,000
2036	400,000	54,500	454,500
2037	400,000	44,000	444,000
2038	400,000	33,000	433,000
2039	400,000	22,000	422,000
2040	400,000	11,000	411,000
	<u>\$ 8,620,000</u>	<u>\$ 2,235,563</u>	<u>\$ 10,855,563</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-5. Long-Term Debt Service Requirements
Series 2020 Refunding--by Years
September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 450,000	\$ 350,992	\$ 800,992
2022	465,000	282,850	747,850
2023	480,000	264,250	744,250
2024	495,000	245,050	740,050
2025	510,000	225,250	735,250
2026	520,000	204,850	724,850
2027	530,000	184,050	714,050
2028	530,000	173,450	703,450
2029	535,000	162,850	697,850
2030	545,000	152,150	697,150
2031	545,000	141,250	686,250
2032	550,000	130,350	680,350
2033	555,000	119,350	674,350
2034	755,000	108,250	863,250
2035	1,005,000	93,150	1,098,150
2036	1,585,000	70,538	1,655,538
2037	1,550,000	34,875	1,584,875
	<u>\$ 11,605,000</u>	<u>\$ 2,943,505</u>	<u>\$ 14,548,505</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2020 Road Refunding--by Years
 September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 400,000	\$ 288,706	\$ 688,706
2022	420,000	231,463	651,463
2023	440,000	214,663	654,663
2024	465,000	197,062	662,062
2025	495,000	178,462	673,462
2026	515,000	158,662	673,662
2027	535,000	138,062	673,062
2028	550,000	127,363	677,363
2029	565,000	116,362	681,362
2030	575,000	105,062	680,062
2031	590,000	93,562	683,562
2032	605,000	81,763	686,763
2033	620,000	69,663	689,663
2034	630,000	57,263	687,263
2035	650,000	44,663	694,663
2036	660,000	30,037	690,037
2037	675,000	15,188	690,188
	<u>\$ 9,390,000</u>	<u>\$ 2,148,006</u>	<u>\$ 11,538,006</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-5. Long-Term Debt Service Requirements
 Series 2020 Park--by Years
 September 30, 2020

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2021	\$ 1,000,000	\$ 93,000	\$ 1,093,000
2022	1,000,000	83,000	1,083,000
2023	1,000,000	73,000	1,073,000
2024	1,000,000	63,000	1,063,000
2025	1,000,000	53,000	1,053,000
2026	1,000,000	43,000	1,043,000
2027	1,000,000	33,000	1,033,000
2028	1,000,000	23,000	1,023,000
2029	650,000	13,000	663,000
2030	650,000	6,500	656,500
	<u>\$ 9,300,000</u>	<u>\$ 483,500</u>	<u>\$ 9,783,500</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
September 30, 2020

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2021	\$ 7,695,000	\$ 3,210,080	\$ 10,905,080
2022	5,780,000	2,950,925	8,730,925
2023	5,840,000	2,795,649	8,635,649
2024	5,940,000	2,633,739	8,573,739
2025	6,035,000	2,468,338	8,503,338
2026	6,115,000	2,297,289	8,412,289
2027	6,190,000	2,123,020	8,313,020
2028	6,265,000	1,965,121	8,230,121
2029	5,980,000	1,805,213	7,785,213
2030	6,060,000	1,644,950	7,704,950
2031	5,470,000	1,476,436	6,946,436
2032	5,575,000	1,309,038	6,884,038
2033	5,625,000	1,134,201	6,759,201
2034	5,725,000	954,151	6,679,151
2035	5,850,000	772,057	6,622,057
2036	5,345,000	580,638	5,925,638
2037	5,305,000	422,376	5,727,376
2038	3,065,000	264,313	3,329,313
2039	2,625,000	155,688	2,780,688
2040	1,825,000	63,563	1,888,563
	<u>\$ 108,310,000</u>	<u>\$ 31,026,785</u>	<u>\$ 139,336,785</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-6. Change in Long-Term Bonded Debt
 September 30, 2020

	Bond Issue			
	Series 2012 Levee	Series 2013 Levee	Series 2013 Road	Series 2013 Refunding
Interest rate	2.5% - 4.6%	2.0% - 4.0%	3.0% - 5.0%	2.0% - 5.0%
Dates interest payable	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1
Maturity dates	9/1/14 - 9/1/20	9/1/14 - 9/1/20	9/1/14 - 9/1/20	9/1/14 - 9/1/35
Beginning bonds outstanding	\$ 6,450,000	\$ 5,245,000	\$ 9,530,000	\$ 5,770,000
Bonds issued				
Bonds refunded	(6,200,000)	(5,095,000)	(9,200,000)	
Bonds retired	(250,000)	(150,000)	(330,000)	(240,000)
Ending bonds outstanding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,530,000</u>
Interest paid during fiscal year	<u>\$ 410,175</u>	<u>\$ 291,375</u>	<u>\$ 639,394</u>	<u>\$ 258,540</u>
Paying agent's name and city				
Series 2012	Wells Fargo Bank, N.A. Houston, Texas			
All Other Series	The Bank of New York Mellon Trust Company, N.A. Dallas Texas			
Bond Authority:	Levee Bonds	Park Bonds	Road Bonds	Refunding Bonds
Amount Authorized by Voters	\$ 106,180,000	\$ 29,000,000	\$ 29,000,000	\$ 53,090,000
Amount Issued	(85,730,000)	(21,050,000)	(29,000,000)	(2,270,000)
Remaining To Be Issued	<u>\$ 20,450,000</u>	<u>\$ 7,950,000</u>	<u>\$ -</u>	<u>\$ 50,820,000</u>

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investment balances as of September 30, 2020:	<u>\$ 8,661,228</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	<u>\$ 6,966,839</u>

See accompanying auditors' report.

Bond Issue					
Series 2014 Road	Series 2015 Road	Series 2015 Levee	Series 2015 Refunding	Series 2016 Refunding	Series 2017 Levee
2.0% - 3.75% 3/1; 9/1 9/1/15 - 9/1/38	3.0% - 5.0% 3/1; 9/1 9/1/16 - 9/1/40	2.0% - 3.625% 3/1; 9/1 9/1/16 - 9/1/39	2.0% - 4.0% 3/1; 9/1 9/1/16 - 9/1/34	2.0% - 4.0% 3/1; 9/1 9/1/17 - 9/1/33	2.0% - 3.75% 3/1; 9/1 9/1/17 - 9/1/40
\$ 6,525,000	\$ 3,375,000	\$ 16,425,000	\$ 4,635,000	\$ 3,785,000	\$ 17,400,000
(250,000)	(150,000)	(825,000)	(245,000)	(230,000)	(150,000)
\$ 6,275,000	\$ 3,225,000	\$ 15,600,000	\$ 4,390,000	\$ 3,555,000	\$ 17,250,000
\$ 209,200	\$ 119,463	\$ 500,531	\$ 158,844	\$ 139,850	\$ 570,750

	Bond Issue			
	Series 2017 Park	Series 2017 Refunding	Series 2019 Levee	Series 2019A Levee
Interest rate	0.75% - 1.50%	2.0% - 4.0%	2.0% - 3.625%	2.00% - 3.00%
Dates interest payable	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1
Maturity dates	9/1/18 -	9/1/18 -	9/1/18 -	9/1/21 -
Maturity dates	9/1/21	9/1/35	9/1/40	9/1/40
Beginning bonds outstanding	\$ 5,750,000	\$ 3,545,000	\$ 8,175,000	\$ -
Bonds issued				8,620,000
Bonds refunded				
Bonds retired	(3,000,000)	(150,000)	(750,000)	
Ending bonds outstanding	<u>\$ 2,750,000</u>	<u>\$ 3,395,000</u>	<u>\$ 7,425,000</u>	<u>\$ 8,620,000</u>
Interest paid during fiscal year	<u>\$ 86,250</u>	<u>\$ 101,412</u>	<u>\$ 227,031</u>	<u>\$ 165,375</u>

See accompanying auditors' report.

Bond Issue			
Series 2020 Refunding	Series 2020 Road Refunding	Series 2020 Park	Totals
2.00% - 4.00%	2.00% - 4.00%	1%	
3/1; 9/1	3/1; 9/1	3/1; 9/1	
9/1/21 -	9/1/21 -	9/1/21 -	
9/1/37	9/1/37	9/1/30	
\$ -	\$ -	\$ -	\$ 96,610,000
11,605,000	9,390,000	9,300,000	38,915,000
			(20,495,000)
			(6,720,000)
<u>\$ 11,605,000</u>	<u>\$ 9,390,000</u>	<u>\$ 9,300,000</u>	<u>\$ 108,310,000</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,878,190</u>

Fort Bend County Levee Improvement District No. 15
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2020	2019	2018	2017	2016
Revenues					
Property taxes	\$ 2,138,751	\$ 2,321,370	\$ 2,444,478	\$ 1,317,910	\$ 771,121
Penalties and interest	3,028				
Miscellaneous	13,963	20,400	20,200	75,623	22,500
FEMA grant	28,470	97,783			
Investment earnings	27,609	65,245	33,886	12,397	4,554
Total Revenues	2,211,821	2,504,798	2,498,564	1,405,930	798,175
Expenditures					
Operations and administrative					
Professional fees	217,176	357,518	312,065	255,830	250,213
Contracted services	148,474	177,856	126,716	212,857	135,079
Repairs and maintenance	1,180,706	1,000,935	915,221	777,104	393,071
Utilities	18,545	27,721	28,469	2,143	
Administrative	95,590	79,760	53,926	48,044	43,971
Other	76,319	72,340	60,472	57,935	26,075
Capital outlay		332,327	984,201		
Total Expenditures	1,736,810	2,048,457	2,481,070	1,353,913	848,409
Revenues Over (Under) Expenditures	\$ 475,011	\$ 456,341	\$ 17,494	\$ 52,017	\$ (50,234)

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2020	2019	2018	2017	2016
97%	92%	98%	94%	96%
*				
1%	1%	1%	5%	3%
1%	4%			
1%	3%	1%	1%	1%
100%	100%	100%	100%	100%
10%	14%	12%	18%	31%
7%	7%	5%	15%	17%
53%	40%	37%	55%	49%
1%	1%	1%	*	
4%	3%	2%	3%	6%
3%	3%	2%	4%	3%
	13%	39%		
78%	81%	98%	95%	106%
22%	19%	2%	5%	(6%)

Fort Bend County Levee Improvement District No. 15
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2020	2019	2018	2017	2016
Revenues					
Property taxes	\$ 9,196,735	\$ 9,676,333	\$ 9,611,615	\$ 9,379,271	\$ 7,464,662
Penalties and interest	54,063	90,147	54,646	74,750	39,510
Accrued interest on bonds sold				61,162	52,357
Miscellaneous	9,400	75	150	25	125
Investment earnings	111,755	325,221	202,367	68,271	22,525
Total Revenues	<u>9,371,953</u>	<u>10,091,776</u>	<u>9,868,778</u>	<u>9,583,479</u>	<u>7,579,179</u>
Expenditures					
Tax collection services	98,610	196,006	159,294	148,832	106,616
Other	10,910	1,000	25,000	15,000	2,500
Debt service					
Principal	6,720,000	6,635,000	5,820,000	2,735,000	3,090,000
Interest and fees	3,436,534	3,297,884	3,297,054	2,922,299	2,781,495
Debt issuance costs	684,564			174,759	279,461
Payment to refunded bond escrow agent				63,000	
Total Expenditures	<u>10,950,618</u>	<u>10,129,890</u>	<u>9,301,348</u>	<u>6,058,890</u>	<u>6,260,072</u>
Revenues Over (Under) Expenditures	<u>\$ (1,578,665)</u>	<u>\$ (38,114)</u>	<u>\$ 567,430</u>	<u>\$ 3,524,589</u>	<u>\$ 1,319,107</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2020	2019	2018	2017	2016
98%	96%	97%	97%	98%
1%	1%	1%	1%	1%
			1%	1%
*	*	*	*	*
1%	3%	2%	1%	*
100%	100%	100%	100%	100%
1%	2%	2%	2%	1%
*	*	*	*	*
72%	66%	59%	29%	41%
37%	33%	33%	30%	37%
7%			2%	4%
			1%	
117%	101%	94%	64%	83%
(17%)	(1%)	6%	36%	17%

**Fort Bend County Levee Improvement District No. 15
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2020**

Complete District Mailing Address: 202 Century Square Blvd, Sugar Land TX 77478

District Business Telephone Number: (281) 500-6050

Submission Date of the most recent District Registration Form

(TWC Sections 36.054 and 49.054): December 19, 2018

Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200

(Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Rohit Sankholkar	11/18 to 05/22	\$ 4,650	\$ 913	President
Jeffrey Anderson	12/18 to 05/22	6,300		Vice President/ Assistant Secretary
Girish Misra	11/18 to 05/20	3,000		Secretary
Darrell Groves	11/18 to 05/20	3,750		Assistant Vice President
Premal Shah	12/18 to 06/20	600		Former Director
Consultants				
The Muller Law Group, PLLC	2014		Amounts Paid	Attorney
<i>General legal fees</i>		\$ 171,774		
<i>Bond counsel</i>		628,350		
<i>Total</i>		800,124		
Schwartz, Page & Harding, L.L.P	2021			Attorney
Levee Management Services, LLC	2012	195,178		Operator
Municipal Accounts & Consulting, L.P.	2020	17,584		Bookkeeper/Accounting
Avanta Services	2004	37,683		Former Bookkeeper
Fort Bend County Tax Office	2020			Tax Collector

* *Fees of Office* are the amounts actually paid to a director during the District's fiscal year.
See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 15
 TSI-8. Board Members, Key Personnel and Consultants
 For the Year Ended September 30, 2020

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Consultants (continued)				
Esther Flores, RTA Tax Tech	2003	45,184		Former Tax Collector
Fort Bend Central Appraisal District	Legislation	68,893		Property Valuation
Perdue, Brandon, Fielder, Collins, & Mott, LLP	2004	4,098		Delinquent Tax Attorney
Costello, Inc.	2000			Engineer
<i>Amount paid directly by district</i>		243,394		
<i>Amount paid from developer reimbursements</i>		485,463		
<i>Total</i>		<u>728,857</u>		
McGrath & Co., PLLC	2013	35,500		Auditor
Masterson Advisors, LLC	2018	482,531		Financial Advisor
TBG Partners	2008			Landscape Architect
<i>Amount paid directly by district</i>		1,580		
<i>Amount paid from developer reimbursements</i>		520,708		
		<u>522,288</u>		

See accompanying auditors' report.